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COR-1792
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26 September 1962

MEMORANDUM FOR THE RECORD

SUBJECT: Concurrence in Definitive Contract No. BT-1943 with
ITEK Corporation, Boston, Massachusetts, Project
CORONA/LANYARD

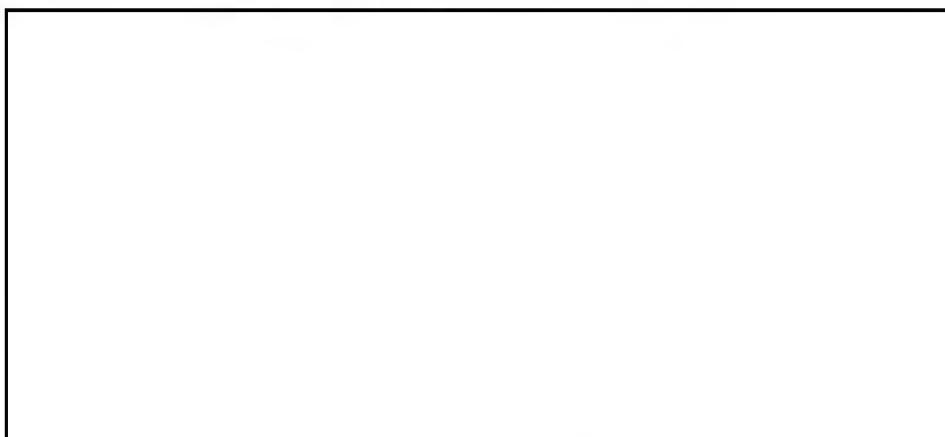
1. This memorandum contains a recommendation submitted for concurrence of the undersigned. Such recommendation is contained in Paragraph 6.

2. Contract No. BT-1943 covers the procurement of five (5) LANYARD Satellite Reconnaissance Camera Payloads together with related supplies and services from ITEK Corporation. The definitive contract has been negotiated on a cost-plus-incentive-fee basis. A total target cost of [redacted] and target fee of [redacted] is negotiated with an overall estimated cost of [redacted] agreed to. The [redacted] difference represents the amount ITEK is paying LMSC for the E-5 inventory. This money will be returned to the Government "coffers" when LMSC refunds it under the E-5 termination settlement. This transaction was solely for cover and security reasons and the impression is created that the E-5 Program is dead and not merely "gone underground" since ITEK is paying LMSC with "Company" funds solely on speculation that the inventory can be used in another program. The incentive arrangements agreed to are as follows:

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3. A Definitive Contract No. BT-1943 obligates an additional amount of [redacted] chargeable in FY 1963 to Project CORONA/LANYARD funds transferred from the Air Force for these purposes under memorandum [redacted]-1960-62 dated 26 July 1962. By concurrence to this memorandum the Comptroller signifies that sufficient funds are available for this obligation. * subject to the availability of funds.

4. The services and equipment being procured by this Contract No. BT-1943 are in furtherance of the LANYARD Program, the nature of which cannot be publicly disclosed for security reasons. The undersigned Contracting Officer therefore determines that this procurement must be accomplished by negotiations pursuant to the authority of Section 3(a) of PL 81-110 and Class Determination and Finding, OXC-2122, signed by the DDCI on 25 October 1961.

5. Certification of funds for this contract will be handled under the procedure approved by the Director of Central Intelligence on 15 December 1956 which, in effect, results in all covert expenses involving issuance of Treasury Checks being accumulated in a separate account within the Finance Division. The amounts in this account will be periodically scheduled for certification of the vouchers by the Director. This procedure eliminates the necessity for a separate certification of authority under Section 8(b) of Public Law 110, 81st Congress (formerly 10(b) - see 85-507 dated 7/7/58) for each contract.

6. Concurrence in Definitive Contract No. BT-1943 is recommended.

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[redacted]
Contracting Officer, OSA

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